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GENERAL
MAR 29 1915

MARKETING OF FARM PRODUCTS

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HEARING

BEFORE THE

COMMITTEE ON AGRICULTURE

OF THE

HOUSE OF REPRESENTATIVES

ON

House Joint Resolution 344

FOR A

NATIONAL MARKETING COMMISSION.

U.S. Congress. House Committee on agriculture

WASHINGTON, D. C.
1915

NATIONAL MARKETING COMMISSION.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
Monday, September 14, 1914.

The committee met at 10 o'clock a. m., Hon. Asbury F. Lever (chairman), presiding.

In addition to the members of the committee, the following gentlemen were present: Messers. Dershem, of Pennsylvania; Young, of North Dakota; Murray, of Oklahoma; McDonald, of Michigan; Esch of Wisconsin; Callaway, of Texas; Caraway, of Arkansas; Senator Fletcher; Taggart, of Kansas; Goodwin, of Arkansas; Burke, of Wisconsin; Mr. David Lubin; Hon. Carl Schurz Vrooman, Assistant Secretary of Agriculture; Dr. Clarence J. Owens, managing director, Southern Commercial Congress; H. S. Mobley, president Farmers' Union of Arkansas; George P. Hampton, representing various State granges; and Dr. A. Simon, of Washington, D. C.

Mr. GOODWIN. I have here a few modifications in the resolution, which in no way affect the principle; they merely change some of the wording.

The CHAIRMAN. I suggest that the modified resolution be made a part of the official record.

The following is the resolution referred to and as modified:

(H. J. Res. 344, Sixty-third Congress, second session).

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 10, 1914.

MR. GOODWIN of Arkansas introduced the following joint resolution; which was referred to the Committee on Agriculture and ordered to be printed. Joint resolution for the appointment of a National Marketing Commission.

Whereas it is patent that there are defects in the economic system of the United States which affect adversely the producers and the consumers of agricultural products; and

Whereas these defects have been accentuated by the European war, and to a degree justifying the recent utterances of the President of the United States in the matter of the high cost of living; and

Whereas various attempts have been made from time to time to overcome these defects, mainly through nongovernmental agencies, and recently under governmental agency under the Bureau of Marketing of the Department of Agriculture; and

Whereas experience has, however, proven that the solution of this question is not to be found in nongovernmental agencies nor is it to be found in a governmental agency, but it is to be found in a semiofficial governmental agency, as is here proposed, as witness the success in the European countries of such a system, a system which has swept aside the trusts in food products and which renders the trust an impossibility; and

Whereas the present abnormally high prices for food products not alone offer an opportune time for the establishment of a semiofficial governmental agency as a means for the temporary solution of this problem but also for the organization of the agricultural forces of the United States on the lines indicated as a means for the permanent solution of this problem: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President be authorized and requested to appoint a National Marketing Commission to be composed of 29 members, 15 of whom shall be farmers and 14 of whom shall be selected with reference to their eminence in commerce, law, finance, and transportation.

SEC. 2. That such National Marketing Commission shall meet in the city of Washington at a time designated by the President, and organize by the election of officers, and adopt a plan of action for the effective organization of the States, counties, and localities of the United States for the economic distribution of the products of the farm, with power to act in so far only as affecting individuals and organizations that shall elect to become a part of this national marketing system.

The CHAIRMAN. Gentlemen, we have the honor of having with us Hon. David Lubin, who needs no introduction to the Committee of Agriculture in any country. We will be glad to hear from Mr. Lubin in his own way. Before he begins, however, I wish to say that it is his desire that he be allowed to complete his statement before there are any interruptions. This hearing is on House joint resolution No. 344.

STATEMENT OF HON. DAVID LUBIN, DELEGATE OF THE UNITED STATES TO THE INTERNATIONAL INSTITUTE OF AGRICULTURE AT ROME, ITALY.

Mr. LUBIN. Mr. Chairman, and gentlemen of the committee, there will be times when this subject will have its ornate speakers, and in this Capitol they will speak the words that will move the people, move the nation, and move the world on this very theme. I am like a crude pioneer going over ground that has not yet, here in this country, been trodden over, and I am like to a man with coarse boots and broad-brimmed hat, with his kit and frying pan, coffee kettle, and tin plate, who will be followed by a palace of learning, and by the culture and refinement of civilization.

Now, the matter that we have before us is not some eccentric German name which may be sport for a boy, but we must bear well in mind what this name means. It is a name that could hardly be taken down properly by the stenographer without spelling, so I will spell it for him — L-a-n-d-w-i-r-t-s-c-h-a-f-t-s-r-a-t. What does that name mean, and what will it mean for the people of the United States? It will mean much for the people in this country and for this Republic, and for the world, because, as I explained the other evening in my room at the hotel when some of the Members of Congress were present—to me this question is not one of championing or pioneering or laboring for the farmer. One might rationally do so if interested in farming to the extent that it makes such championship logical. A statesman or politician may do so, if you please, who is working for place or honors. Then it becomes a logical part of his business.

Why, then, should I work for the farmer any more than for the carpenter or for the shoemaker? I do not always know. There are times when it is difficult for me to answer that question; but are we always masters of our motives? Sufficient to say, that in my many years of this seemingly self-imposed task of service I appear to be prompted by two egos—the one which bids me to desist and the other which impels onward, and the impelling force seems to be the stronger.

In this persistency there is some compensation, a sufficient compensation. I work for something that has no stomach, no head, no eyes, no

hands, no feet. It is not a human being at all; it is not a creature; it is an ideal. And this ideal is the American Republic—yes, it is even greater than the American Republic. The American Republic is only the servant of other nations, of all the other nations in the world. As it advances with the torch in its hand, the torch of progress and civilization, it lights up the rest of the world. That is the mission of this American Republic. That is the reason for its existence. It does not exist for itself, for its own sake, but for the sake of the other countries. As this American Republic recedes backward it becomes dark; the shadow becomes darker and darker over all the earth, until the twentieth-century nations recede back to the nineteenth and eighteenth and those of the nineteenth and eighteenth century go backward to the seventeenth and sixteenth century, and as the American Republic advances, so the darkness is tempered by the light, and the light dispels the darkness.

And so, then, we see that it is no ordinary business, no ordinary mission to serve in behalf of this ideal. If there be no merit in this ideal, then there is no merit in any ideal. If there be no merit in this ideal, then it will be high time for you, gentlemen, you Representatives and Senators, to cast away your toga of office and to take up the cry, " Vanity of vanities, all is vanity ". If there be no such ideal, then the Republic is nonsense; then there is nothing; there is nihilism and we are then simply accidental worms and not vice-gods here on earth; not placed here by the power we call God, the Ruler, the Absolute, the Power behind phenomena. We then would have no part in conscience, in will, in ideal. And such life would make of curiosity, of interrogation, of progress a mockery. I feel that way sometimes, and then all becomes a burden, a weary burden. But of a sudden the darkness vanishes, the light appears, and then comes the irresistible impulse and the imperative mandate which commands work, and yet more work. And now you know what has brought me here. Now that I have stated the motive, we will proceed.

The logic of the case that I am to present is exceedingly simple. I have no new story to tell you. There are gentlemen present, members of the House and Senate, that know this story almost by heart. I am not to present a brand new idea. I am to present a scheme of work, a system of cooperation, which, when adopted, would substantially do for the farmers of the United States what the chambers of commerce and boards of trade do for commerce and finance.

On the 3rd of October it will be 10 years that I have been living in Rome, as delegate of the United States to the International Institute of Agriculture, and in that capacity the opportunity presented itself for observing the operation of the Landwirtschaftsrat. This system is substantially in operation in a number of the continental countries, and is more clearly defined in Germany than in the other countries. The more I observed the operation of that system the more I became convinced that its adoption in the United States would promote the economic interests, not merely of the farmers but of the consumers, of all the American people. Yes; it would even transcend the boundary line of economic advantage; it would go beyond that; it would be a political advantage to the American people.

So believing, I took notes of what I saw and published these notes in

pamphlet form and sent them out broadcast throughout the United States. I had expected that as soon as these documents would get into the hands of the American people that they would forthwith start the Landwirtschaftsrat in the United States. But this was not to be; time also is a factor, as well as effort, in the art of promulgation. It took these several years to evolve, as it were, a few advocates for this theme. However, these advocates are here now, and so the work is marching on, and presently we may see these advocates multiplied in geometric ratio.

And what of this Landwirtschaftsrat? It would seem to me that it should have had its foundation in a Republic and not in a monarchic country. But that was not to be. Therefore, we must forever give Germany the credit for this idea, but so far as we are concerned, let us say "better late than never". In fact, it is not a question of choice at all. The American people must simply adapt and adopt the Landwirtschaftsrat system; or drift, as old Rome drifted, toward the ultimate fall.

But what does all this mean? Is this to be received seriously; is it not some far-fetched nonsensical statement? We shall see. You, gentlemen, you, members of the House of Representatives, and you, members of the Senate, you shall judge!

But before proceeding I deem it in order to give what I believe to be an interpretation of history. The history of nations, as I read it, may be explained by this illustration, an illustration which I presented at the Nashville conference a couple of years ago, when Senator Fletcher was presiding. It is this; it is a tripod. [Placing his thumb, forefinger, and middle finger on the table in the form of a tripod]. This [indicating the forefinger] is labor, and this [indicating the middle finger] is commerce and finance, and this, the third part of the tripod [indicating the thumb], is agriculture. These two [indicating the forefinger and middle finger] are of the cities, and this [indicating the thumb] is of the country. When each of these three [indicating] remain firmly in place you can then put a tremendous weight on the tripod [indicating], but when any one of these buckle the tripod falls and comes to an end. It happens that this fellow and that fellow [indicating the forefinger and middle finger] are the two progressives because they coalesce; they reason together; then they unionize. This one [indicating the forefinger] with strength in membership; the other one [indicating the middle finger] in the concentration of skilful direction and the concentration of money. The coalescing of these first two, of this fellow and that fellow [indicating] has taken place, not merely in the twentieth century, but it has been the case right along in the past.

Mr. GOODWIN. When you say this fellow and that fellow you mean the laboring man on the one side and the financier on the other?

Mr. LUBIN. Yes; this [indicating the forefinger] is, as before stated, the laborer; this [indicating the middle finger] is the financier. And thus these two [indicating] become the great fighting power in the tripod. To show you that this illustration will apply to times gone by as well as to the present time, I have brought here with me some excerpts which I will read, and by simply changing a word or two make it read as part of ancient history, which indeed it is, or by again making a slight change it would read as modern history of to-day. It is awfully old, it is awfully

modern—as old as it can be and as modern as it can possibly be. I will read it in a moment or so.

Let us continue with the illustration. Now, this fellow [indicating the forefinger] is progressive, and this other fellow [indicating the middle finger] is also progressive; in fact, they are more than progressive—they are radicals. But if you should accuse this fellow [indicating the middle finger] of being a radical he will say: " Oh, no ; that other fellow [indicating the forefinger] is a radical ; he wears a red necktie ; he is a socialist, an anarchist ". The fact is that they are both radicals. This fellow [indicating the forefinger] wants short hours and big pay, whereas this other fellow [indicating the middle finger] wants more profit. Now, mark—when you give this fellow [indicating the forefinger] the short hours and big pay then he forthwith wants more short hours and big pay ; and when you give him short hours and big pay then he wants shorter hours and bigger pay. Again you give him what he asks for, and again he wants more and more, and there is never any end. As for this other fellow [indicating the middle finger] wanting more profit, when he has it he wants still more, and there is never any end to it.

Now, as for this poor fellow here [indicating the thumb]—the third part of the tripod, the farmer—he has to take what he can get ; he is dependent upon the world's price, which modifies for him the home price. His mind is differently constituted from that of the other two. His mind is tinctured by the soil, influenced by the animals he comes in contact with, by the trees, by the open air, by the weather ; in fact he is quite close to mother earth. The result is that these two fellows in the tripod [indicating the forefinger and middle finger] are keen for advantages, but this third part of the tripod [indicating the thumb] seems slow, stupid, stunned as it were. So this third fellow waits and hopes for something, but what that something is he does not exactly know. Nevertheless, this third fellow has merit—great merit— for he is the conservative. That is his great value, for he keeps the other two divisions of the tripod, the two radicals, in check.

It is amusing to note the opinion these two fellows [indicating the forefinger and middle finger] have of this third fellow [indicating the thumb]. In Bible times they called him " Am-haaretz ", which literally means the man of the earth, the countyman. In ancient Rome and Greece he was known as a villain, a man that lives in the village ; a coward, a man that herded cows ; a pagan, a man that lives in a small town ; a heathen, a man that lived on the heath.

Yet all of these were the words used in olden times to designate farmers. These are now all uncomplimentary terms, but when we want this man's vote we call him the right arm of the Nation, nature's nobleman. And what purpose does this man serve ? A very valuable purpose ; his conservatism tends to keep these other fellows [indicating the forefinger and middle finger] from eating themselves up. These two fellows [indicating the forefinger and middle finger] would run each other off the face of the earth ; but this fellow [indicating the thumb] checks that running. He says, " Where are you running to ? " They say, " We will show you "— " Give us your vote and we will show you ". Now it takes this fellow,

this farmer [indicating the thumb] such an awfully long time to be convinced and converted that the whole session is adjourned before they can carry their radical measures.

So they try again the next time and are compelled to modify and keep on modifying, and this modifying is brought about through the slowness of this conservative. So then, when you kill this conservative, when you kill the farmer [indicating the thumb], you kill the goose that lays the golden egg, and the Nation is dead.

Let us see how this worked out in Rome, ancient Rome. If a man from Mars had visited the earth during the several epochs of Rome's history, and if he had come down to the earth during the time of Augustus Cæsar, he would have said: "Now, this is strength; this is beauty; this is the height of sublime power". But the man of Mars would have been mistaken, for at that time Rome was really dead, though it was a time when Rome was beautiful, as New York is beautiful now, with its skyscrapers and miles of palaces, like other cities of the United States. And now let us see whether the American Republic is living and how much of it is alive and how much of it is dead.

We read in the newspapers that the farmers of the United States were never more prosperous than they are to-day; that they own one or two automobiles apiece. We read that their sons go to universities, that they have got lots of money in the bank — so much money that they don't know what to do with it.

Then again we hear of other statements that the nation is strong in proportion to its liabilities and assets, just as is the strength of a merchant. Should Dun or Bradstreet give a report of a merchant that his liabilities are $ 8,000 and his assets $ 150, that merchant would be a dead proposition if Dun or Bradstreet can make him so.

Now, let us take up the assets of the Nation. In proportion as this fellow [indicating the thumb], the farmer, is strong, these other two fellows [indicating the forefinger, labor, and middle finger, capital] stand where they are, and you can put all the weight you please on top of the tripod and the tripod is solid; the Nation stands. But in proportion as this fellow is weak [indicating the thumb], no matter how strong these two are [indicating the forefinger and middle finger], this one will buckle [indicating the thumb] and down comes the Nation. And now mark well, when is this fellow [indicating the thumb] strong? Only so long as he holds the land; but when he is replaced by the renter you have lost your conservative and you have now got a radical in his place, and a curious kind of radical.

When the city man plays radical he seems to be full of dash and swear words, sand-lot, and froth; nevertheless, he will run in the first hole when the policeman runs after him. But when the farmer turns radical and lets loose he does not run away; he grabs a pitchfork or a scythe and goes on a rampage; he is then like the genii out of a bottle; you can't put him back again. And when does he run loose? When you transform him from the landowner into the renter.

And so in old Rome. So long as the farmer owned the land nothing could move the Republic, but when the capitalists got the laborers herded

together in big armies, and when they captured countries and brought cheap corn into Italy, the capitalists began to compete with the home farmers, and the price of corn went down so low that the farmers of Italy got into debt to the Roman capitalists, the Roman nobles, and again the price was lowered and the farmer got further into debt. As he could not pay he was foreclosed and driven off his land. The farmers became radicals and they ran to Rome and said, "Give us something". And so ambitious politicians came along and one said: "Follow me and I will give you corn". And the next one came along saying: "Rather follow me and I will give you corn and wine". Another increased the bid saying: "Follow me and I will give you corn, wine, and oil". Still another, with vehement gesture, announced: "If you follow me I will give you corn, wine, oil, and pork". "Ah; but listen to me", yelled the final bidder, "follow me, all of you, and I will give you corn, wine, oil, pork, and magnificent shows in the arena". And so Rome fell. And we still go there to see her ruins. And many of the descendants of the noble Romans are about the streets of our cities with organ and monkey.

And so does it befall all nations whenever the third man in the tripod, the farmer, is divested of his land; whenever the landowning farmer is replaced by the renter; whenever the conservative of the nation is transmuted into the destructive radical.

And now let us see how we stand. Let us take up the assets and liabilities of this question so far as the American Republic is concerned. The life of this Nation is less than 150 years. We began this national life with an unbounded domain of land. This land was substantially given free to the farmers, who became independent landowners—"landlords".

But what do we find to-day? This: The figures of the Census Bureau tell us that 37 per cent of the agricultural land in the United States is farmed by renters; and is not this coming dangerously close to the cause which destroyed old Rome? Sixteen per cent of these renters were made in the last 10 years, and if this goes on in the same ratio what must it all end in? What but the same destruction as that which befell old Rome.

And now for these quotations which I spoke of some time ago. Let us take them up for a moment. They are from Kalthoff's "The Rise of Christianity".

In speaking of the time of Augustus Cæsar, he says:

The Roman noble becomes a relentless exploiter of the poor peasant. He is a speculator on a grand scale and menaces the State.

This is interesting. It sounds much the same as what we may find in the papers of the United States at any time. It sounds very much as if there were trusts in those days just as there are in our day, and that the mischiefs that were done to the Roman Republic by those trusts are now being done right here in our own Republic by the modern trusts.

Let us see what else he says about this matter:

Right accommodates itself entirely to might; it applies to private life the fundamental principles of political annexation. Gain is booty; not a claim to the outcome of labor, but occupation, appropriation of an enemy's goods.

This sounds quite familiar to the ear. It sounds like what we hear at the present time in our day.

And now let us proceed further with these ancient trusts. The writer says:

There is no political and social, and certainly no religious or ethical resistance to the evils of this great concentration of capital. The capitalistic accumulation on an agrarian basis has the whole power of the State at its disposal at Rome—the army, the fleet, the law, and the government.

Indeed, there is evidently nothing new under the sun, for as it was in Rome so it is here.

And now let us see what else is said:

So the great serpent that is to strangle the finest strength of Rome, its peasantry, brings its coils closer and closer together.

And then what happened? Let us hear Tiberius Gracchus:

The wild beast has its cavern and its den; every one of them has its place of refuge. But those who are called the lords of the earth have nothing left but light and sunshine. There is not a stone that they can call their own and lay their weary head to rest on.

And every effort to reform the situation in the Roman world completely failed.

This, as in old Rome, is the weak spot in the life of this Republic. There is nothing to fear from foreign invasions, but there is everything to fear from the independent landowing farmer whenever he is transmuted into a renter, whenever he takes up his stand with the radicals.

During the last couple of decades we have been busy with legislative measures for keeping out what we denominate "undesirable foreigners". But are these foreigners really so undesirable as they seem to be? Are they not, after all, the raw material of which this Republic is composed? Are these foreigners really as dangerous to the life of this Nation as they are said to be? Are they really as dangerous as the manipulators who obtain ownership of vast tracts of land in order that they may establish and perpetuate the renting system in our midst? Which of these two foreign elements would it be safer to admit and which to exclude? Would it not be safer to admit the poor and lowly, and to exclude those who would convert the free, landowning farmer into a dependent renter and into a radical?

Now then, with all the foregoing as a premise we will now proceed with the case. First of all, what is the Landwirtschaftsrat? And right here we have the authoritative information on pages 399 and 400 of the report of the American commission (S. Doc. 214). And I want to state while I am on that subject that some of you gentlemen here will very shortly recognize the value of this Senate Document 214. While the American commission in its trip through the European countries may not have done great wonders or returned to us finished financiers, the book that it brought back contains the testimony on the subject before us and on rural credit, testimony which was officially given by some of the most eminent people in Europe conversant with the subject.

I will therefore, Mr. Chairman, ask that your secretary read some excerpts from pages 399 and 400 of that book.

The CHAIRMAN. The secretary is not here now. Mr. Helgesen, will you read that?

Mr. HELGESEN (reading):

Statement of Dr. Dade, Secretary General of the Landwirtschaftsrat of Berlin.

The German Empire is composed of 24 States. The largest of these is the Kingdom of Prussia, which is divided into 12 Provinces. Each of these Provinces is required by Prussian law to elect a chamber of agriculture. The same system prevails in the other German States; all have their chambers of agriculture instituted under law. Each of these chambers of agriculture sends one or more delegates, proportionate to its importance, to the German Landwirtschaftstrat, which thus becomes the official council of agriculture for the whole of the German Empire. The Landwirtschaftsrat acts as an official advisory board, with right of criticism and initiative on all agricultural legislation affecting the whole of the German Empire. You can see what power such a body can exercise if you will transfer it to the United States. Just imagine that in every State you had an organization counting some 20.000 members, and these were all federated, and you had, sitting in Washington, at stated periods, the council elected by these farmers of all the States to watch over their interests in matters of legislation.

The question was then asked:

Q. What would be the position of agriculture in Germany if you had no such organization? — A. We could do nothing; we should have no influence either on home or foreign policy.

Q. Do you attribute the success of Germany as an agricultural country to the Landwirtschaftsrat? — A. Yes; the Landwirtschaftsrat is one of the factors in this success. It has secured success from the legislative and political end.

Speaking on this subject, Baron Hermann von Schoen, of Munich, member of the leading cooperative societies of Bavaria, said:

The Imperial German Landwirtschaftsrat covers the whole of Germany; it is the semiofficial link connecting the official body, the Imperial Government, with the unofficial, with the people actually engaged in agriculture. It works from the top down and from the bottom up.

I will now give the questions I asked and the replies obtained from the secretary general of the similar institution for Austria, the Landwirtschaftsgesellschaft:

Q. Is your association an official, semiofficial, or voluntary body? — A. It is semiofficial; the Government is in direct relation with it.

Q. Is it under law? — A. Yes; under national and provincial law; it is required to assist the Government as an advisory body in its work for the promotion of agriculture.

Q. If I understand you rightly, your agricultural societies, from the central society down to the local and provincial societies, are connected with the central Government? — A. Yes; there is close contact between the Government and the agricultural societies.

Q. Have these societies only the right to act as advisory boards or have they also the right of initiative in matters of agricultural legislation? — A. They have certain rights of initiative.

Q. If I understood you rightly, the following comparison could then be made: Agriculture in Austria is a body in which all the organs are connected with the central organ, the heart; it is a body in which the circulation proceeds normally from the heart to the limbs and organs; whereas agriculture in the United States seems to be a body in which there is no proper circulation from the heart to the individual limbs and organs, and from the limbs and organs to the heart. — A. Your comparison is correct, at least so far as Austrian agriculture is concerned.

Mr. LUBIN It will thus be seen that the German Landwirtschaftsrat is an entity, which has its beginning in the township, then up to the county, then it takes in a province, then the state, and then finally the National Landwirtschaftsrat.

In accordance with law, each farmer in a township assessed for taxation has a certain amount of that assessment set aside for the Landwirtschaftsrat. The township member then has a vote for delegates to the cham

bers of agriculture, and the chambers of agriculture elect the members of the Landwirtschaftsrat; in all, some 72 members for the German Empire. It has its seat in Berlin and usually holds its session when the Reichstag meets. It is a deliberative and consultative body with advisory powers. The Reichstag must submit to this institution all pending laws directly or indirectly affecting agriculture. The Landwirtschaftsrat tenders its opinion to the Reichstag on all such measures pending, and these opinions receive the most careful attention from the Reichstag, for they are influenced by the will of the farmers from the small township right up to the county, the province, the state and the nation. The other functions of the Landwirtschaftsrat are the supervision and direction it gives to the economic distribution of the products of the farm.

Thus it may be seen at a glance how effective such an organization must be in the economic and political history of the nation. The first and most significant service rendered by the Landwirtschaftsrat is that it renders trusts in food products an impossibility.

Before the Landwirtschaftsrat was established in the European countries they had food product trusts, chicken trusts, potato trusts, egg trusts, meat trusts, and butter trusts, as we have them here, not as systematized as here, but then that was years ago when they were not even systematized here. And it can be safely asserted that if there were no Landwirtschaftsrat institutions in the European countries at the present there would have been as many systematized trusts there now as here. But under the Landwirtschaftsrat system in the European countries, such a thing as a trust in food products is substantially and practically an impossibility.

From time to time spasmodic efforts are made to fight the trust in the United States. Ordinarily the American people pursue sane and rational methods. They are noted for employing the right means for the attainment of certain ends, but in the matter of the trust the American people have not so far employed rational means toward the given end. There is a constant reiteration of taking up irrelevant and ineffective means toward the attainment of a given end, toward the doing away with the trust. It is a fortunate thing that shoemakers and weavers are more rational; otherwise we would have irrational shoes and irrational cloth. We have thousands of schemes for " fighting " trusts, and a grand old " standby " for talking to the gallery, for making political capital, is to clench both hands into fists and come down with both of them simultaneously with a pound on the table, and with rigid, set features, with flashing eyes, and widely extended mouth, yell out, " By heavens, let us penalize them " ; all of which of course is nonsense, for the way to kill the trusts is not to fight them at all; just simply take the goods that the trust deals in and place them out of the trust's reach, and then you have the finish of the trust.

And this is just what the Landwirtschaftsrat means. It means that every European town has its street markets, has its cooperative associations for distribution, has its standardized packages, its standardized packing, the regulated synchronization of its products so that they may be carried and delivered economically; it has the scientific use of the parcels post and the employment of the local pits and exchanges, and where can there be any

room for the trust when such things are done by the people themselves under the direction of the Landwirtschaftsrat?

Mr. GOODWIN. The object of the resolution is to bring the producer into more immediate contact with the consumer of his product, and in that way the trust will be eliminated, and the producer will receive more for the product of his toil, and the consumer will buy the agricultural products for less than he is now buying them, for the reason that, in the meantime, the middle-man, to a large extent, will be eliminated.

Mr. HAUGEN. The object is to do away with the commission man, and to bring the goods from the farm to the kitchen?

Mr. LUBIN. Yes; under this proposed national commission they will be largely the employees of the cooperating farmers.

Mr. HELGESEN. Could you find an American name that would be better understood than the German name (Landwirtschaftsrat)?

Mr. LUBIN. I hardly think it would be good policy to do that at this time. When we purpose to adapt and adopt the Landwirtschaftsrat to American needs we have a fairly well defined work before us, but if we were simply to say that we want a national agricultural council, that would not be definite, for it would permit of any number of schemes being taken up, and this would leave us as far off from practical accomplishment as we ever were. I should favor persistency in adhering to the name, at least until after the plan has been adopted, and thereafter employ the term national agricultural council.

Now to continue. If we study the history of the European Landwirtschaftsrat we will find that it was not born in a day; there was groping and struggling for years to build it up. The first efforts, like those in the United States, were attempled through nongovernmental and nonofficial national organizations, and there sprang up, as in the United States at the present time, many organizations calling themselves "the national association". But when they attempted to accomplish anything they neutralized each other just as they do here. Each of them claimed to represent the nation when in fact none of them represented the nation. As a result there was confusion, discord and inefficiency.

Seemingly we in the United States are passing through similar experiences in our economic history to those passed through in the European countries. We have evolved up to the stage when a number of unofficial, nongovernmental associations are endeavoring to shape and handle the economic status of American agriculture. I see that Mr. Hampton is here, and I would be pleased to have him mention some of these national organizations.

Mr. HAMPTON. Well, there is the National Farmers' Union; the National Grange; the Society of Equity; The Gleaners; the Cooperative Farmers' Associations, etc. And then there are the Farmers' National Unions, like the Fruit Growers, Dairy, Elevators, etc.

Mr. LUBIN. Now, all these national organizations in the United States, instead of being a strength are a g[illegible] the case in the European countries with nonofficial organizations, evidently, as in the second step in the European experience, we are turning toward the other direction in instituting an official governmental association. This attempt was intended to be made through the Bureau of Markets of the Depart-

ment of Agriculture. But such attempts in the European countries were found to be impracticable.

It was soon perceived that a governmental (official) agency could not be made to work. No government in the world, not even a government as paternal as that of China, would dare in our day to tell the farmers, "Do not sell to certain dealers on certain streets in Chicago, but sell to other dealers in another street or in another square or in another city". That kind of paternalism may only be permitted under a despot who owns all the people, all the land, everything in the country.

And what, then, is left? One of two things: Either to permit the trusts to run as they are doing now and permit them to employ scientific means for their upbuilding and perpetuation, or the establishment of the semiofficial organizations on the same order as the European semiofficial Landwirtschaftsrat.

And right here let it be understood that in instituting the Landwirtschaftsrat it does not necessarily follow that it would put out of commission the present nonofficial, nongovernmental associations. On the contrary, they would continue and be very much stronger under the semiofficial governmental association than they have ever been before.

And now the question arises: Assuming that we want the Landwirtschaftsrat, what are the necessary steps to be taken in order for us to have it? If it were like a piece of music we could buy a few sheets and play it, but this Landwirtschaftsrat must be built up. And right here we are confronted by the problems of a series of practical trials and with heterogenous factors. More than that, these factors are likely to be blocked by and hampered in almost every move they will attempt. For a fact, it takes more science, more exactness, more skill in the working out a design to be put on a loom to weave a yard of cloth, than it does to build up a Landwirtschaftsrat, but then the designer and his loom are not hampered by lack of knowledge nor by destructive forces to interfere with their labors. But in the upbuilding of such an institution as the Landwirtschaftsrat we must not be surprised to find a conglomerate mass of incoherent and heterogenous forces which must first be marshaled into coherency and efficiency, and this is no easy task.

Fortunately a way presents itself how this may be done. The joint resolution (H. J. Res. 344) which has here been presented, on which I am now speaking, offers a pathway, a near pathway for bringing about the Landwirtschaftsrat. It must be understood that this resolution is not for the Landwirtschaftsrat proper. It is merely a substitute for it; it is intended merely to serve as a means to the end. This resolution calls for an organization which shall work from the top down, whereas the Landwirtschaftsrat works from the bottom up. The Landwirtschaftsrat exerts great power because it expresses the will of the farmer from each township, percolating upward through the county, through the State, up to the national Council, whereas the proposed system, through this resolution, begins with the national organization and percolates downward to the State, the county, and to the township.

The recent undue rise in the price of farm products in the United States, which the European war brought on, is a splendid spur toward

carrying this resolution, and for the ultimate upbuilding of scientific marketing throughout the United States.

But the strength of the national organization proposed under this joint resolution must rest with the character of the men who are to be appointed by the President of the United States.

The proposed national commission is to consist of 29 men, 15 of them farmers and each farmer appointed should be a "star" among farm leaders of this country. But of still greater importance to the success of this effort will be the character of the 14 additional members of the commission. If these 14 are to be composed merely of men of mediocre capacities then it would be better to abstain from this effort altogether. If the selection be fortunate, if it consists of men of rare ability in the several avenues indicated; if it consists of high-grade trasportation men; of a high-grade man conversant with interstate law; of a high-grade man who understands the uses of money; and above all of high-grade men who have a knowledge of merchandising, both wholesale and retail, of selling in near-by and in remote distances from the place of production, of selling in remote export markets as well as home markets, then the commission is likely to shape the work for which it was appointed towards a successful issue.

So far, however, we have only provided part of the organization — the national commission. But this is merely a part of the plan — merely the first part. The second part is the State commission, which should be appointed by the governors of each State. The State commissions should, like the national commission, be composed of highgrade men—the best available in the State. And then would come the county commissions and, last but not least, the township commissions. The State, county, and township commissions to be governed by rules and by laws not in conflict with the provisions of the national commission. Under the direction of the National commission and the State commission, the county and township commissions will make provisions for synchronizing the products for transportation to the markets. Local sales shall be (*a*) in open air markets on the plazas; (*b*) in indoor markets consisting of sample rooms, pits or exchanges and auction rooms; (*c*) in salesrooms which shall have divisions, one for retail selling and another for wholesale selling.

The movement on sales of products within the township to be under the direction of the township committee; and if within the county, under the direction of the county committee; if within the State, under the direction of the State commission; if outside of the State, under the direction of the national commission

Senator FLETCHER. A semiofficial commission with officers at the principal distributing centres and headquarters where the batteries are charged that are to put in motion the various energies for the general good, could serve most advantageously both the producer and consumer of farm products.

The numerous organizations, widely scattered and wholly disconnected at present, while serving many useful purposes, are not only inadequate, but often conflicting when it comes to handling the problem of economical distribution.

Syracuse, N. Y.
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